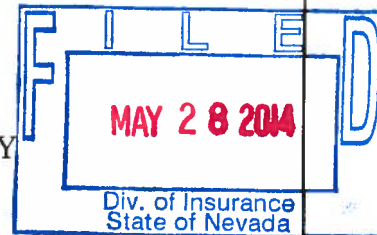


STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE



IN THE MATTER OF

CAUSE NO. 14.0188

SENSIBLE HOME WARRANTY, LLC.

**ORDER OF IMMEDIATE
SUSPENSION OF CERTIFICATE OF
REGISTRATION**

WHEREAS, Sensible Home Warranty, LLC ("SHW") is a service contract provider domiciled in the state of Nevada. On March 8, 2011, SHW became a registered service contract provider in Nevada, Certificate of Registration No. 113841. See Exhibit A; and

WHEREAS, on March 17, 2014, the State of Nevada, Department of Business and Industry, Division of Insurance ("Division") required SHW to, among other things, submit a corrective action plan¹ that could be approved by the Division. See Exhibit B; and

WHEREAS, although SHW submitted a proposed corrective action plan on April 23, 2014, its content was not sufficiently detailed in order to receive final approval by the Division. See Exhibit C; and

WHEREAS, by letter dated May 5, 2014, the Division informed SHW that its proposed corrective action plan was not sufficient and that the Division would contact them to discuss the areas of the proposed plan that required improvement. Id.; and

WHEREAS, SHW has subsequently been unresponsive to Division inquiries and other attempts to contact them. See Exhibit D; and

WHEREAS, the website for SHW has recently been changed informing visitors that it has, in essence, gone out of business. See Exhibit D and E; and

WHEREAS, SHW did not provide the Division with any prior notice of its intent to cease business operations. See Exhibit D; and

¹ Corrective action plans are proprietary business plans of a company and are, therefore, considered confidential pursuant to NRS 679B.100(5)(b).

1 WHEREAS, as of the date of this Order, the Division is aware of ten Nevada resident
2 service contract holders' claims that SHW has failed to pay. Id; and

3 WHEREAS, Nevada Revised Statute ("NRS") 690C.325(3) sets forth that the
4 Commissioner may, without advance notice or a hearing thereon, immediately suspend the
5 certificate of registration of any provider that has filed for bankruptcy or otherwise been deemed
6 insolvent; and

7 WHEREAS, based on the recent notice on SHW's website, its lack of responsiveness to
8 the Division and its failure to pay certain claims, SHW can be considered "otherwise insolvent"
9 such that its certificate of registration can be immediately suspended without advanced notice or
10 a hearing; however, the Division has not yet been notified of any formal bankruptcy proceeding
11 instituted by SHW.

12 NOW, THEREFORE, IT IS HEREBY ORDERED that:

13 1. The service contract provider Certificate of Registration for SHW, No. 113841,
14 is immediately suspended pursuant to NRS 690C.325(3), effective this date.

15 2. SHW shall immediately cease writing and/or soliciting any new service contracts
16 in the state of Nevada and elsewhere.

17 3. SHW shall immediately contact the Division and provide to it current contact
18 information for both Division staff and service contract holders.

19 4. SHW shall immediately notify all of its current service contract holders of its
20 status and current contact information.

21 5. SHW shall immediately notify all relevant state regulators in all states in which it
22 has currently active service contracts of its status and contact information.


23 6. SHW shall be responsible for continuing to service all currently active service
24 contracts and any claims made by its contract holders in Nevada and elsewhere.

25 7. SHW shall immediately contact the Division and provide to it a list of all service
26 contracts currently active in Nevada and elsewhere.

27 8. SHW shall immediately contact the Division and provide to it a list of all current
28 outstanding claims.

1 9. SHW shall immediately contact the Division and provide to it a complete
2 accounting of its current assets and liabilities including, but not limited to, asset and account
3 locations, and the location of all of its books and other records.

4 IT IS SO ORDERED this 28th day of May, 2014.

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7 
8 TODD C. RICH, Deputy Commissioner
9 with Delegation for
10 SCOTT J. KIPPER
11 Commissioner of Insurance
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DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

1818 East College Pkwy., Suite 103
Carson City, Nevada 89706
(775) 687-0700 • Fax (775) 687-0787
Website: doi.nv.gov
E-mail: insinfo@doi.nv.gov

TO: TODD RICH
Chief Deputy Commissioner

FROM: SCOTT J. KIPPER
Commissioner of Insurance

DATE: May 22, 2014

SUBJECT: Delegation of Authority in the Commissioner's Absence

I hereby issue a Delegation of Authority for you to act on my behalf when I am absent from the state from May 28, 2014 through May 30, 2014. You are empowered to exercise all authority necessary to handle matters coming before the Division of Insurance, unless otherwise delegated.


SCOTT J. KIPPER
Commissioner of Insurance

SJK/slt

Service Contract Provider Certificate of Registration

DEPARTMENT OF BUSINESS AND INDUSTRY



DIVISION OF INSURANCE

This certificate with affixed seal is evidence of registration for

Sensible Home Warranty, LLC

Nevada Company ID No. 113841

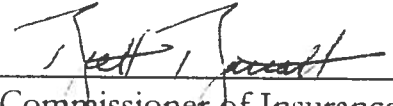
to act as a service contract provider in the state of Nevada in accordance with Chapter 690C of the Nevada Revised Statutes.

This Certificate shall remain in force unless suspended, revoked, terminated or voluntarily surrendered. This Certificate shall at all times remain the property of the State of Nevada. Upon any termination, suspension or revocation thereof, the holder shall promptly deliver or surrender this Certificate of Registration to the Commissioner of Insurance.



Dated at Carson City, Nevada

this 8th day of March, 2011



Commissioner of Insurance

Effective Date: MARCH 8, 2011

Renewal Date is MARCH 8th of Each Year

BRIAN SANDOVAL
Governor

STATE OF NEVADA

BRUCE H. BRESLOW
Director

SCOTT J. KIPPER
Commissioner



DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE
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Carson City, Nevada 89706
(775) 687-0700 • Fax (775) 687-0787
Website: doi.nv.gov
E-mail: insinfo@dol.nv.gov

March 17, 2014

Elliott Dabah
Sensible Home Warranty
1344 Disc Drive, PMB 2210
Sparks, NV 89436

E-mail: elliottDabah@sensiblehomewarranty.com

Certified Mail No. 7012 3460 0000 3084 1614

**RE: NOTICE OF IMPENDING ADMINISTRATIVE ACTION PURSUANT TO
NRS 233B.127(3)**

Dear Mr. Dabah:

The State of Nevada, Department of Business and Industry, Division of Insurance ("Division") hereby provides you with this Notice of Impending Administrative Action ("Notice") to suspend and/or revoke the registration of Sensible Home Warranty ("Sensible"). The purpose of this Notice is to provide Sensible with the opportunity to show compliance with the lawful requirements necessary to retain its registration in Nevada, before the referenced administrative action is taken.

The circumstance of Sensible's non-compliance and corrective action required is described as follows:

The Division has received and continues to receive numerous consumer complaints against Sensible concerning business practices that are serious violations of Title 57. Between January 1, 2012 and February 24, 2014, the Division received 137 complaints for a delay in the payment. The Division continues to receive an increasing number of consumer complaints against Sensible¹. Upon review of the complaints, numerous violations of NRS 686A.300, NRS 686A.310, and NAC 690C.110 are apparent. The Division has previously expressed to Sensible its concern about these continued unlawful delays in payment. The continuing receipt by the Division of complaints about such delays in payment is evidence of a business practice that is

unsuitable and, unless immediately corrected, will result in prompt administrative action to suspend and/or revoke Sensible's registration.¹

In order to avoid the administrative action described above, within 30 calendar days of the date of receipt of this Notice, Sensible must:

- 1) Resolve all delay of payment consumer complaints currently pending with Division. See attached list of consumer complaints. This list may be amended to include complaints received after the date of this letter. There must be no unresolved complaints thirty (30) days from the date of this Notice.
- 2) Submit to the Division a corrective action plan which substantively sets forth the following:
 - a. Procedures to ensure timely communication with those filing claims, including claims involving emergency services pursuant to NAC 690C.110.
 - b. Procedures to ensure timely evaluation of claims, including claims involving emergency services pursuant to NAC 690C.110.
 - c. Procedures to ensure claims are not being improperly denied.
 - d. Procedures to ensure timely payment of claims.
 - e. A tracking system which identifies the date a claim is received, evaluated, determined as approved or denied, and paid if appropriate.
 - f. A system which documents the reasons why claims are either approved or denied.
 - g. Procedures to ensure timely communication with claimants as to the approval or denial of claims.
 - h. Procedures to ensure timely responses to Division inquiries.
 - i. The institution of an education and training program which ensures that all staff handling claim review and claim payment is adhering to all procedures adopted pursuant to this Notice.
 - j. A system to document the attendance by and completion of each relevant staff member in the education and training program.

The corrective action plan must first receive approval by the Division before Sensible will be considered to have satisfied 2).

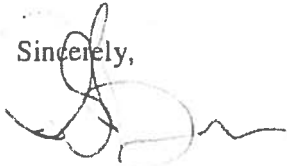
If 1) and 2) above are successfully completed, for a subsequent period of ninety (90) days the Division will closely monitor how many consumer complaints for delay of payment are received against Sensible. If the trend in justified consumer complaints (which includes those from Nevada and other states) during that period of time does not show a significant declining trend, the Division will immediately proceed with administrative action to suspend and revoke Sensible's registration.

¹ Note: If Sensible's registration is suspended or revoked, it will still be contractually liable and responsible for fulfilling the service contracts that are active at the time of suspension/revocation.

Elliott Dabah
Sensible Home Warranty
March 17, 2014
Page 3

If Sensible does not satisfy either 1) or 2) above, the Division will immediately proceed with administrative action to suspend and revoke Sensible's registration.

Sincerely,



JOSEPH DECKER
Deputy Commissioner

Sincerely,



ELENA AHRENS
Chief Insurance Examiner
Property & Casualty Section

c: Todd Rich, Chief Deputy Commissioner
Amy Parks, Chief Legal Counsel

¹ Nevada registered home warranty companies, contracts sold, business written and number of consumer complaints received :

	<u>No. of Contracts Sold</u> <u>(CY 2012)</u>	<u>Revenue</u> <u>(CY 2012)</u>	<u>No. of Consumer Complaints</u> <u>(1/1/12 – 2/12/13)</u>
Sensible	394	\$142,098	55
Co. 1	22,410	10,431,416	3
Co. 2	6,505	3,793,533	2
Co. 3	41,544	20,954,735	6
Co. 4	7,954	3,530,793	1
Co. 5	16,427	8,482,346	7
Co. 6	12,072	5,325,718	1
Co. 7	1,616	307,034	0
Co. 8	8,768	1,769,368	0
Co. 9	1,065	486,437	1

OPEN CONSUMER COMPLAINTS (as of March 17, 2014):

Report ID	Open Date	Respondent	Complainant	Status
31911	2/26/14	Sensible Home Warranty	Redacted by NV DOI	Open
31886	2/24/14	Sensible Home Warranty	Redacted by NV DOI	Open
31720	2/6/14	Sensible Home Warranty	Redacted by NV DOI	Open
31677	2/2/14	Sensible Home Warranty	Redacted by NV DOI	Open
31644	1/29/14	Sensible Home Warranty	Redacted by NV DOI	Open
31448	1/8/14	Sensible Home Warranty	Redacted by NV DOI	Open

BRIAN SANDOVAL
Governor

STATE OF NEVADA

BRUCE H. BRESLOW
Director

SCOTT J. KIPPER
Commissioner



**DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE**

1818 East College Pkwy., Suite 103
Carson City, Nevada 89706
(775) 687-0700 • Fax (775) 687-0787
Website: doi.nv.gov
E-mail: insinfo@doi.nv.gov

May 5, 2014

Elliot Dabah
Managing Member
Sensible Home Warranty, LLC
344 Disc Drive, Suite 221
Sparks, NV 89436

SENT BY E-MAIL TO:
elliotDabah@sensiblehomewarranty.com

CERTIFIED MAIL NO.
7012 2920 0001 8639 6525

Re: Sensible's Response to Division's Notice of Impending Administrative Action Pursuant to NRS 233B.127

Dear Mr. Dabah:

The State of Nevada, Department of Business and Industry, Division of Insurance ("Division") acknowledges that Sensible Home Warranty ("Sensible") responded to the Notice of Impending Administrative Action Pursuant to NRS 233B.127(3) ("Notice") by submitting a letter dated April 16, 2014 addressing item one in the Notice, and a Corrective Action Plan addressing item 2 in the Notice. Both the letter and the Corrective Action Plan were received at the Division by e-mail on April 23, 2014. The deadline to respond to the Notice was April 21, 2014. Therefore, Sensible's response was submitted after the required deadline.

The purpose of the Notice was to provide Sensible with the opportunity to show compliance with the lawful requirements necessary to retain its registration in Nevada. The Notice described the circumstance of Sensible's non-compliance and the corrective action required to avoid administrative action. More specifically, Sensible had 30 calendar days to:

1. Resolve all delay of payment consumer complaints currently pending with the Division. The Notice stated that there must not be any unresolved complaints 30 days from the date of the Notice; and

2. Submit to the Division a corrective action plan (as outlined in the Notice a – j). The corrective action plan must first receive approval by the Division before Sensible will be considered to have satisfied this requirement.

Regarding compliance with requirement 1, consumer complaints, Sensible resolved 15 of the 17 complaints provided to Sensible for resolution. Explanations why these two complaints remained open were provided by Sensible and were acceptable to the Division. However, the Division continues to receive complaints against Sensible at a high rate of frequency that is unacceptable. Currently, the Division has nine open complaints, three of which are from Nevada consumers. Under separate cover, the Division will provide Sensible with a complaint receipt comparison of like home warranty companies in order to clearly show you just how much higher Sensible's consumer complaint numbers are above all other like companies and, therefore, why Sensible's numbers are unsuitable. If Sensible is allowed to continue into the 90-day monitoring period as described in the Notice, the Division will be using this comparison as a guide as to what number of incoming consumer complaints may be considered reasonable. What is currently still being received is not reasonable.

Regarding compliance with requirement 2, the corrective action plan Sensible submitted is not sufficiently detailed to receive the Division's approval. As a result, Sensible has not yet satisfied requirement 2 in the Notice. However, under separate cover, the Division will provide Sensible with comments regarding the corrective action plan.

The Notice states that if requirements 1 and 2 are successfully completed, the Division will monitor Sensible closely for a period of 90 days for continued compliance regarding consumer complaints. This letter clarifies that neither requirement 1 nor 2 have successfully been completed. Therefore, the 90-day monitor period referenced in the Notice has not yet been triggered.

Finally, as a home warranty service contract provider, Sensible has an obligation to adhere to the emergency provisions under NAC 690C.110. Please be aware that Nevada's Las Vegas area will be experiencing very hot weather in the rapidly approaching summer months that mandate immediate attention when an air conditioner, covered under a warranty by your company, fails. NRS 233B.127 sets forth that if the Division finds that public health, safety or welfare imperatively require emergency action that Sensible is failing to provide during these extreme temperatures the Division will proceed with the immediate suspension of Sensible's Certificate of Registration.

Sincerely,


JOSEPH DECKER
Deputy Commissioner

Sincerely,


ELENA AHRENS
Chief Insurance Examiner
Property & Casualty Section

c: Todd Rich, Chief Deputy Commissioner
Amy Parks, Chief Legal Counsel

CAUSE NO. 14.0188

1 6. The Division received no prior notice from SHW of its intent to shut down its
2 business operations and, as of the date of this Affidavit, the Division has received no notice of
3 such directly from any representative of SHW.

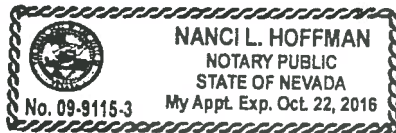
4 7. As of the date of this Affidavit, the Division is aware of ten Nevada resident
5 service contract holders' claims that SHW has failed to pay.

6 Dated this 28th day of May, 2014.

7
8 
9 ELENA AHRENS
Chief of Property & Casualty Section

10
11 SUBSCRIBED and SWORN to before me
12 this 28th day of May, 2014,
by Elena Ahrens.

13 
14 NOTARY PUBLIC



Elena Ahrens

From: Elena Ahrens
Sent: Monday, May 19, 2014 1:49 PM
To: elliottdabah@sensiblehomewarranty.com
Cc: Todd Rich; Joe Decker
Subject: Sensible Home Warranty

Elliott,

The website for Sensible Home Warranty (Sensible) states that the company has shuttered its operations. Neither the Nevada Division of Insurance nor any other state insurance department that we are aware of was notified that Sensible was closing its doors. Please confirm the following:

- Sensible has ceased to write new home service contracts in all states (including Nevada)
- Sensible voluntarily surrenders its Nevada Certificate of Registration to write service contracts in Nevada
- Sensible will honor the claims under all existing contracts until expiration of the contracts
- A claim may be submitted by e-mail at assist@sensiblehomewarranty.com

I look forward to receiving your response.

Elena Ahrens, Chief
Property & Casualty Section
Nevada Division of Insurance
1818 College Parkway
Carson City, NV 89701
eahrens@doi.nv.gov
(775) 687-0764

Elena Ahrens

From: Elena Ahrens
Sent: Wednesday, May 21, 2014 10:50 AM
To: 'assist@sensiblehomewarranty.com'
Subject: Nevada Contracts

Elliott,

We note that your website indicates that Sensible Home Warranty has shuttered its operations. Neither the Nevada Division of Insurance nor any other state insurance department that we are aware of was notified that Sensible was closing its doors. Please confirm the following:

- Sensible has ceased to write new home service contracts in all states (including Nevada)
- Sensible voluntarily surrenders its Nevada Certificate of Registration to write service contracts in Nevada
- Sensible will honor the claims under all existing contracts until expiration of the contracts
- A claim may be submitted by e-mail at assist@sensiblehomewarranty.com

Additionally, Nevada requests that you send a list of existing unexpired contracts including contract holder information and expiration dates. I look forward to receiving your response.

Elena Ahrens, Chief
Property & Casualty Section
Nevada Division of Insurance
1818 College Parkway
Carson City, NV 89701
eahrens@doi.nv.gov
(775) 687-0764

Sensible Home Warranty

Kindly direct any inquiries to: assist@sensiblehomewarranty.com

TO OUR LOYAL CUSTOMERS AND DEAR FRIENDS:

It is with great regret that we must notify you that Sensible Home Warranty has shuttered its operations.

We wish you all the best of luck and thank you for your years of support.

Kindly direct any inquiries to assist@sensiblehomewarranty.com

SUBSCRIBE TO OUR NEWSLETTER

Sign up now to our newsletter and you'll be one of the first to know when there will be any updates.

Enter your email...

SUBSCRIBE



CERTIFICATE OF MAILING

I hereby certify that I have this day served the **ORDER OF IMMEDIATE SUSPENSION OF CERTIFICATE OF REGISTRATION, CAUSE NO. 14.0188**, by mailing a true and correct copy thereof, properly addressed with postage prepaid, via certified mail, return receipt requested, to:

Harrison Gindi
Sensible Home Warranty
1344 Disc Drive, PMB 221
Sparks, NV 89436
CERTIFIED MAIL NO. 7012 2920 0001 8639 7171

Elliot Dabah
Sensible Home Warranty
1344 Disc Drive, PMB 221
Sparks, NV 89436
CERTIFIED MAIL NO. 7012 2920 0001 8639 7188

Harrison Gindi, Managing Member
1724 East 12th Street
Brooklyn, NY 11229
CERTIFIED MAIL NO. 7012 2920 0001 8639 7195

Elliot Dabah, Managing Member
1724 East 12th Street
Brooklyn, NY 11229
CERTIFIED MAIL NO. 7012 2920 0001 8639 7201

and, an electronic copy of the foregoing document was e-mailed to:

E-MAIL: Harrison@sensiblehomewarranty.com

E-MAIL: elliottabah@sensiblehomewarranty.com

E-MAIL: elliottabah@gmail.com

E-MAIL: assist@sensiblehomewarranty.com

DATED this 28th day of May, 2014.



Employee of the State of Nevada
Department of Business and Industry
Division of Insurance